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ABSTRACT

Worker displacement is more closely related to structural features associated with firms than to the characteristics of the individuals who lost their jobs. Despite economic growth, large numbers of displaced workers continue to experience difficulty in making labor market adjustments. Programs to retrain and reemploy displaced workers exist at all levels of government and in the private sector. The most successful programs in the private sector are those that emphasize reemployment rather than retraining. Two common elements of successful state-level programs are active cooperation of labor and management and a broad range of services. Recommendations to strengthen the capacity of educational institutions to serve the needs of displaced workers include the development of programs that are comprehensive in design, are closely linked with private and public agencies, and have program administrators who work closely with local employers and who are aggressive in promoting and marketing services. Program leaders should encourage employers to give advance notice of impending layoffs or plant closures, aggressively seek opportunities to provide training services to companies, and establish a fast response mechanism. Programs should include a strong job development component and establish mechanisms for early linkage with companies and postprogram follow-up linkage with displaced workers. (YLB)

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Clearinghouse on Adult, Career, and Vocational Education

IMPLICATIONS OF RESEARCH ON DISPLACED WORKERS

During the 1980s, a number of experienced workers have suffered permanent job loss or "dislocation." Known as dislocated workers, this group of unemployed individuals has attracted considerable attention and concern, primarily because of the numbers of individuals affected (Cyert and Mowery 1987). Some facts about the extent of dislocation and the workers affected demonstrate the magnitude of the crisis:

- From 1979 to 1984, 11.5 million Americans lost their jobs due to plant closings, reductions in the work force, and declines in business activities (Office of Technology Assessment 1986).
- Although displaced workers were typically white males, one-third were women, and 12 percent were black (ibid.).
- Compared to employed workers, displaced workers tended to be younger and were more likely to be female and black (Cyert and Mowery 1987).
- Unlike in the 1950s, when workers displaced from mining and farming jobs found employment in steel mills and auto factories, worker relocation to other regions of the country did not prove to be a viable solution to the wide-scale displacement of manufacturing workers that occurred in the 1980s (Ashley and Kurth 1988).

In response to the worker displacement crisis, government, education, labor, and business and industry developed a wide array of programs, practices, and policies designed to ease the impact of job loss and help workers reenter the labor force. Numerous evaluative and follow-up studies of displaced worker assistance programs have since been conducted by local, state, and federal agencies in an attempt to improve existing programs and determine where dollars for new programs would be most effectively spent. This ERIC Digest provides a synthesis of this recent research and examines its implications for expanded educational programs, improved coordination and linkage, enhanced training for teaching and counseling, and further research.

Extent of the Problem and Future Projections

According to Ashley and Kurth, national studies indicate that worker displacement is more closely related to structural features associated with firms than to the characteristics of the individuals who lost their jobs. Although the actual number of workers affected by displacement is in dispute, it is clear that the consequences of displacement are grave and far-reaching. Besides losing their incomes, displaced workers often lose their health insurance, remain unable to find employment even after exhausting their Unemployment Insurance benefits, and are forced to accept reemployment in different industries and significant pay cuts.

Although the outcomes of displacement for workers had improved over the period from 1984 to 1986 thanks to economic growth, large numbers of displaced workers continue to experience difficulty in making labor market adjustments. Projections forecast nearly 13 million new jobs by 1995, which some forecasters believe will result in a labor shortage and which others think will open up employment opportunities for handicapped and displaced workers as well as for those with poor basic skills. The problem, according to Ashley and Kurth, is that 70-80 percent of these new jobs will be low-paying and will not provide the skills and experience that lead employees to better jobs. Research indicates that the need for worker training and retraining will increase on two fronts: (1) many secondary school students will need postsecondary training before they can become productive workers and (2) new knowledge will create new jobs, which will in turn require a better mastery of basic and higher-order thinking skills.

Existing Programs for Displaced Workers

Programs to retrain and reemploy displaced workers exist at all levels of government as well as in the private sector. Between 1982 and 1985, the Job Training Partnership Act (JTPA) Title III programs (the largest federal employment and training program) placed 69 percent of its participants at an average hourly wage of $6.61 per hour. Success rates varied widely from program to program. The following factors were linked to successful outcomes: staff with extensive knowledge of local labor markets, individualized counseling and assessment, competent and rigorous intervention, and personal support and persistent follow-up to ensure program completion.

Typically, displaced worker programs include (1) outreach, (2) orientation, (3) educational and aptitude assessment, (4) job-seeking skills training, and (5) basic and job-specific skills training. Once enrolled in a reemployment and retraining project, workers may also be offered some of the following services: job search activities, vocational skills training, on-the-job training, remedial education, and relocation assistance. Studies have also revealed a number of

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barriers to successful implementation of JTPA programs, including JTPA's lack of influence on the job market, its weak links to business, and the limited options available to displaced workers.

According to Ashley and Kurth, the most successful programs in the private sector are those that emphasize reemployment rather than retraining. Citing a 1987 study by Forbes, Ashley and Kurth identify the following as common elements of successful programs: advance notice of layoffs, efforts to encourage workers to participate, counseling to help workers reconcile the likely reduction in wages in a future job, joint management-labor outplacement committees, appropriate training for the local job market, help with job search techniques, and reemployment centers that remain open after the plant closes (p. 20).

Active cooperation of labor and management as an integral part of reemployment efforts and a broad range of services are two common elements of successful state-level displaced worker programs. The general consensus regarding community college programs is that more attention should be focused on programs to provide displaced workers with skills that will make them less vulnerable to displacement and more prepared to find good jobs in the future.

Implications for Program Practices

Ashley and Kurth offer the following recommendations to strengthen the capacity of educational institutions to serve the needs of displaced workers:

- Displaced worker programs should be comprehensive in design (including aggressive outreach and client recruitment followed by streamlined and convenient client intake, assessment, and planning services).
- Programs based at educational institutions should be closely linked with funding agencies, employer groups, community-based service organizations, local government leadership, and state labor market information systems.
- Program administrators should work closely with local employers in three areas: identification of employment opportunities and related skill requirements, development of education and training services that are flexible enough to be tailored to diverse client groups, and evaluation and follow-up of program completers and noncompleters to collect information to use in improving programs.
- Program administrators should be aggressive when promoting and marketing services to the community and employers alike.
- Program leaders and funding agencies should encourage employers to give advance notice of impending layoffs or plant closures and to request assistance for their employees as early as possible (so as to allow for the earliest possible intervention).
- Program leaders should aggressively seek opportunities to provide training services to help companies improve their economic position through improved product quality and competitiveness and a more efficient work force (through such programs as workplace literacy, technical literacy, basic skills, and quality assurance programs).
- Program leaders should establish a fast response mechanism that will make it possible to initiate program services quickly, conduct programs on site, and provide appropriate information and guidance.
- Training should emphasize occupations that are in high demand, pay more than a minimal wage, offer opportunities for growth and advancement, and relate to work skills and work contexts with which displaced workers are familiar.
- Programs should implement and maintain a strong job development and job search assistance component.
- Educational institutions should look for program locations and facilities that will not intimidate displaced workers (preferably plant or company locations or possibly community centers, empty stores, and other comfortable nonclassroom settings).
- Programs should establish a mechanism facilitating early linkage and coordination with the labor-management committees that have principal responsibility for displaced worker services at a plant or company.
- Programs should establish postprogram communication and follow-up linkage with displaced workers who have been served to collect feedback and provide information outreach services.
- Educational institutions should simplify their rules and procedures in order to respond to different client groups and address potential worker displacement problems before they reach crisis proportion (e.g., programs to prevent skill obsolescence). (pp. 28-30)

This ERIC Digest is based on the following reference:

Ashley, W. L.; and Kurth, Paula K. *Displaced Worker Assistance Programs: A Review of the Research.* Columbus: The National Center for Research in Vocational Education, The Ohio State University, 1988.

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